


Risk Management Department

Employee Benefits Orientation



The City of
SAN DIEGO

 Risk Management Department

Today's Agenda

- 1. Flexible Benefits Plan**
 - Health Insurance Plans
 - Life Insurance Options
 - Flexible Spending Accounts
- 2. Employee Retirement Savings Plans**
 - Defined Contribution Plans - Mandatory & Voluntary
 - Retiree Medical Trust
- 3. How to Enroll in Benefits**
 - Navigating SAP Self-Services
- 4. Union Presentations**
 - Local 127 (AFSCME)
 - Municipal Employees Association - MEA




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Flexible Benefits Plan (FBP) Overview

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 What is a Flexible Benefits Plan?

Flexible Benefits Plan (FBP) = IRS Section 125 Cafeteria Plan





- Variety of health plans available to choose from based on representation
- Employees are provided Flexible Benefit Plan credits to help off-set the cost of Flexible Benefits

Important: Benefit election(s) may not be changed outside of open enrollment period (in June) or a qualifying event

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SD Flexible Benefit Credit Amounts

Flexible Benefit Plan Credits for FY18 Paid twice per month (semi-monthly)


 Municipal Employees Association (MEA) members	\$487.71
 Teamsters – Local 911 members (Lifeguards)	\$560.88
 Local 127 (AFSCME) members	\$414.83 - \$550.25*
 Deputy City Attorney Association (DCAA) members	\$393.42 - \$709.21*
Unrepresented employees (hourly)	\$262.25 - \$587.00*
Unrepresented employees (salaried)	\$415.71 - \$740.46*

* Semi-monthly credit amounts vary depending upon the level of the employee's medical coverage. For more details, refer to the Benefits Information and Costs booklet.

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SD How do the City's FBP Credits Work

- FBP Credits are reported as “taxable earnings”
- The “full cost” of premiums are deducted on a pre-tax basis (*an employee's domestic partner is deducted post-tax*)



Note: For months where there are 3 pay periods, the mid-month paycheck will not have FBP credits applied or premiums deducted

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SD FBP Credits/Deductions – Paycheck

	Retrospective		Current		Year to Date
	Hours	Amount	Hours	Amount	Amount
Gross Wages					
DISCRETIONARY LEAVE					188.72
HOLIDAY PAY			8.00	188.72	943.60
CITY FBP CREDITS				740.46	5,923.68
SALARY				1,896.48	15,965.28
Total Gross Wages				2,627.66	21,021.28
Pre-Tax Deductions					
KAISER PRE TAX				690.64	5,589.12
MEA DDMO PRE TAX				27.83	222.64
MEA VISION PRE				16.00	128.00
BASIC TERM LIFE PRE TX				6.75	6.00
RNI EL Pre				4.72	37.76
SFSP-H Mandatory				173.37	1,386.96
Total Pre-Tax Deductions				921.31	7,370.48

Total Gross Wages = salary earnings + FBP credits

Net Income = Gross Wages – (Pre/Post-Tax Deductions+ State/Fed Taxes)

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SD When Will You Receive FBP Credits?

Employees will receive their initial FBP Credit allotment after:

- They have made their *medical* election (*or the waiver option*) through SAP Self-Services

and

- They post a combination of at least 40 hours of FBP Credit eligible time in a pay period

Eligible time = Hourly pay, Annual Leave, Discretionary Leave, Holiday, Floating Holiday, Comp Time and some protected leaves

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SD Required vs. Optional Benefits

FBP credits can be used towards:

Required	Optional
<ol style="list-style-type: none"> Making a Medical election: <ul style="list-style-type: none"> Choose coverage options i.e. Employee only, employee & spouse, etc.; or Waiver (coverage outside of City) Enrolling in the City's Basic Life Insurance Policy 	<ol style="list-style-type: none"> Dental and Vision Insurance Flexible Spending Accounts 401 (K) Flex allotment

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**Health Insurance Plans
Medical, Dental, and Vision**

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SD Medical Insurance (Required)

Medical plans available to *all* General Members

Medical Plans	
City of San Diego Plans	MEA-Sponsored Plans
<ul style="list-style-type: none"> Kaiser Traditional HMO Kaiser Deductible HMO Health Net HMO Health Net PPO 	<ul style="list-style-type: none"> Sharp HMO Classic HMO Sharp HMO Select HMO Sharp Deductible HMO

Refer to "Benefits Information & Costs" handout for more information

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SD Dental and Vision Insurance (Optional)

Dental Plans		
City of San Diego Plans (Unrepresented, L911, & DCAA)	MEA-only Plans	Local 127-only Plans
<ul style="list-style-type: none"> United Concordia DHMO United Concordia DPO 	<ul style="list-style-type: none"> MetLife DHMO MetLife DPO 	<ul style="list-style-type: none"> Dental Health Services DHMO Dental Health Services DPO

Vision Plans	
All Classifications except MEA	MEA-only Plan
<ul style="list-style-type: none"> CoSD VSP 	<ul style="list-style-type: none"> MEA VSP

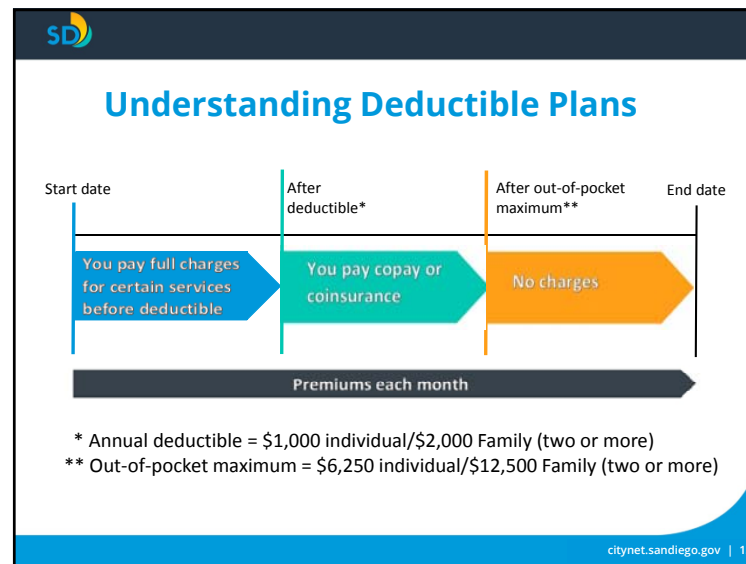
Refer to "Benefits Information & Costs" handout for more information

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Choosing between and HMO vs. PPO

HMO/DHMO Health Maintenance Organization	PPO/DPO Preferred Provider Organization
Premium is more affordable	Higher premium cost
Required to use "in-network" medical or dental group/providers for discounted rates	Can access any doctor/dentist anywhere
Referral from Primary Care Physician required to see specialists	
Co-payment for office visits, hospital, prescriptions, emergency room, etc.	Pay percentage of total cost of treatment (i.e. 10%, 20%, etc.); will receive discount if using an in-network doctor/dentist
Home address must be within 30 radius miles of the medical provider	No limitations on location of providers from your home address


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Who Can Be Enrolled in Benefits?

Health Plans - Medical, Dental, and Vision

- ➔ Spouse/Domestic Partner
- ➔ Children under age 26
 - Biological, Adopted, Stepchildren, Children of Domestic Partner, or children covered under Court order
 - Unless mentally or physically disabled (subject to approval)



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Premiums and Coverage

Health insurance premiums are pre-paid plans

Premiums deducted from pay periods in one month pay for the next month's coverage

Example: premiums deducted from the two pay periods in August pay for September insurance coverage

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SD Premiums and Coverage

Depend on:

- Your hire/promotion date,
- When you enroll in benefits, and
- The month you want coverage to begin . . . you may have “catch-up” premiums

What happens:

- Catch-up premiums will be deducted in addition to your regular premium deductions (typically 2-3 pay periods)

Don't worry . . .

- Flexible Benefits Credits will be retroactive to your hire/promotion date and may help off-set the “catch up”
- Employees can choose when their benefits begin

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SD Catch Up Premiums

Meet Bob

- New Hire
- Wants his coverage to begin the first of the month after his date of hire.
- Did not complete enrollment until day 30
- No premiums were collected in first month he was hired.

As a result:

- Bob owed one month of catch-up premiums
- The catch-up premiums were deducted in addition to the new cost of his coverage.

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SD Catch Up Premiums – Example

	Retroactive		Current		Year to Date
	Hours	Amount	Hours	Amount	Amount
Gross Wages					
HOLIDAY PAY			8.00	122.16	122.16
HOURLY PAY			72.00	1,099.44	3,542.64
Sharp Classic FBP Credit		913.00		456.50	1,369.50
Total Gross Wages		913.00		1,678.10	5,034.30
Pre-Tax Deductions					
SHARP DEDUCTIBLE BHD FPE				521.25	521.25
BASIC TERM LIFE FPE TX				0.15	0.15
RET EE Fpe				3.05	9.15
SFSP-H Mandatory				106.42	331.20
Total Pre-Tax Deductions				630.87	861.75

Sharp Deductible (\$173.75+\$347.50=\$521.25)
***Flex Credit is paid back to date of benefit eligibility**

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SD FBP Initial Enrollment Plan Form

Waiver Notices – Important!

If you do not enroll by the deadline:

- You will automatically be enrolled in the lowest cost Medical Plan and the lowest tier of Basic Life Insurance that is available to you**

If you don't provide dependent verification documents within 30 days of enrolling:


- Your dependents can be dis-enrolled**

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SD Verification Documents

Verification documents include:

- Spouse – Marriage Certificate
- Domestic Partner – Notarized Affidavit of Domestic Partner Relationship or State Registration
- Children – Birth Certificate, Adoption records, and/or Court legal document
- Federal Tax Return can be used as an option for spouse and child



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SD FBP Initial Enrollment Plan Form


Please complete form

When would you like your benefits to begin?

- First of the month following hire/promotion date, or
- Delay an additional month following hire/promotion date

If there are “catch-up” premiums how do you want to pay them?

Please allow 2 pay cycles following benefits enrollment for your deductions to normalize



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SD FBP Initial Enrollment Plan Form

Turn in form and **copies** of dependent verification documents

- If you don't have a copy please take a picture and email to benefits_admin@sandiego.gov

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Life Insurance Plans

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SD Life Insurance

Overview


- Life Insurance helps protect the financial future of those who depend on an employee's paycheck
- Beneficiaries (chosen by the employee) receive a lump sum amount upon an employee's death

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SD Basic Term Life – Mandatory





Basic Term Life Insurance:

- Covers employee only
- Coverage ends after employee's last day of active employment
- Pre-tax



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SD Basic Term Life – Mandatory

Classifications	Semi-monthly cost
<ul style="list-style-type: none"> • MEA  • Local 127  • Local 911  	<p>Members can designate level of insurance coverage:</p> <ul style="list-style-type: none"> • \$10,000 Policy = \$0.15 • \$25,000 Policy = \$0.38 • \$50,000 Policy = \$0.75
<ul style="list-style-type: none"> • Deputy City Attorney Association  • Unrepresented and Unclassified 	<ul style="list-style-type: none"> • Automatically receive \$50,000 Basic Life insurance • Cost paid by the City of San Diego

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SD Portable Term Life – Optional

Portable Term Life (PTL):

- Insurance paid by the employee
- Can insure spouse, domestic partner, and children
- Can sign-up anytime in SAP Self-Services – Anytime Insurance
- When an employee leaves employment or becomes ineligible he/she may elect to "port" (e.g. transfer) their coverage to an individual term policy without providing evidence of insurability
- Post-tax

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SD **Portable Term Life – Optional**

There is a Guaranteed Issue during the initial enrollment for the following amounts:

- Employee - \$250,000
- Spouse/Domestic Partner - \$50,000

Employee may apply for up to \$500,000; however

- Evidence of Insurability (EOI) will be required above the guaranteed issue, and
- Application is subject to approval by Insurance Company

Note: If you receive a pop-up regarding EOI during initial enrollment, please disregard

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SD **Portable Term Life – Optional**

Children may be insured for \$5,000 or \$10,000

- Biological, Adopted, Stepchildren, or Children of Domestic Partner – up to age 26
- Employee or Spouse/Domestic Partner must also be enrolled
- Combined dependent coverage for family or other dependents may not exceed employee’s combined Basic & Portable Term Life total amount

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SD **Life Insurance Premiums & Coverage**

Premiums

- Life insurance plans are post-paid plans
- Premiums deducted in July pay for July coverage
- The Hartford is the insurance carrier

Coverage

- Basic Term - First of the month after your *hire/promotion date*
- Portable Term - First of the month after *enrollment and approval*

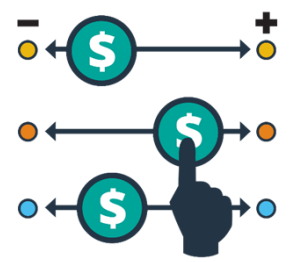
How to Enroll

- Enroll and designate beneficiaries through SAP Self-Services

Be sure to keep your beneficiaries updated!

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The diagram shows three horizontal arrows representing the flow of money. The top arrow has a minus sign on the left and a plus sign on the right, with a dollar sign in a circle in the middle. The middle arrow has a plus sign on the left and a minus sign on the right, with a dollar sign in a circle in the middle. The bottom arrow has a plus sign on the left and a minus sign on the right, with a dollar sign in a circle in the middle. A hand icon is pointing to the dollar sign in the middle arrow.

Flexible Spending Accounts (FSA)

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SD Flexible Spending Accounts

Overview

Allows an employee *the option* to set aside pre-tax money to pay for eligible:

- Health care expenses for the employee, spouse, and eligible dependents
DMV = Dental/Medical/Vision
- Dependent/Child Care expenses incurred due to employment with City of San Diego
DCC = Dependent/Child Care
- Dependents other than children may qualify – contact a Flexible Benefits Representative

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SD Flexible Spending Accounts

Overview

Employee designates an annual contribution amount which is deducted on a semi-monthly basis throughout the plan year

Plan Year minimum and maximum designations:

- DMV: \$240/\$2,600
- DCC: \$240/\$5,000



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SD Flexible Spending Accounts

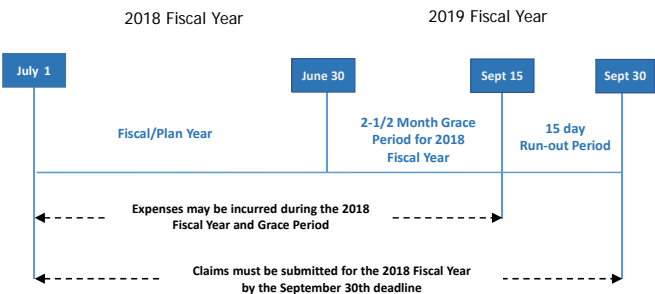
Benefit Type	Begins	Ends
Health Benefits Plan Year	August 1	July 31
Flexible Spending Accounts	July 1	June 30

Services for money you set aside now need to be *incurred* (e.g. went to doctor or purchased prescription) for claim to be reimbursed

Plan Carefully – this is a Use it or Lose it benefit!

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SD Flexible Spending Accounts



2018 Fiscal Year: July 1 to June 30

2019 Fiscal Year: Sept 15 to Sept 30

2-1/2 Month Grace Period for 2018 Fiscal Year: June 30 to Sept 15

15 day Run-out Period: Sept 15 to Sept 30

Expenses may be incurred during the 2018 Fiscal Year and Grace Period

Claims must be submitted for the 2018 Fiscal Year by the September 30th deadline

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SD Dental, Medical, & Vision Reimbursement

Whose Expenses are Eligible for Reimbursement?

- ➔ Spouse
- ➔ Child through the end of the calendar year in which he/she turns 26
- ➔ Qualifying Relative
 - Multiple factors to consider whether a relative meets the tax dependent threshold – Contact Flexible Benefits

Not for domestic partner unless he/she is a “qualifying relative” of the employee

SD Dependent/Child Care Reimbursement

Whose Expenses are Eligible for Reimbursement?

- ➔ Children who are under 13 years of age
- ➔ Disabled spouse, elderly parent, or other dependent who:
 - Is physically or mentally incapable of self-care
 - Lived with the employee for more than half the year
 - Care is needed so the employee (or their spouse) can work, look for work, or attend school full time

SD Forms & Documents

If you are using Flexible Spending Account reimbursement options (DMV and/or DCC) for your dependents you **will need to provide dependent verification documents within 30 days**



SD How to Submit an FSA Claim


1. Enter FSA Claim through SAP Self-Services; AND
2. Email receipts/statements to Reimbursement_Admin@sandiego.gov

- Allow approximately 4 weeks for claim to be processed
- Reimbursements are paid biweekly - included in paycheck
- **DMV** reimbursements are for amounts **claimed** up to annual allotment
- **DCC** reimbursements are for **accrued** amounts; Social Security or Tax ID of provider of service required




For Future Reference

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Major Life Events

Major Life Events = Qualifying Events

Life changing events qualify you to add/drop dependents from a plan outside of the Open Enrollment period (June)

Qualifying Event Examples	
Marriage	Divorce
Birth or Adoption	Court Order
Loss of Coverage	Gain Coverage
Overage Dependent	Death of Dependent
Reduction in Work Hours	Job/Class Change

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What To Do When There Is Qualifying Event


Contact Flexible Benefits

Provide proof of the qualifying event **within 30 days of the qualifying event:**

- Ex: Marriage or birth certificate; final divorce papers; statement from health provider

If 30-day deadline is missed, changes will not be allowed until next Open Enrollment Period

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When You Leave Employment

When Health Coverage Ends

- 1st of the month after an employee's last day of active employment (e.g. on paid status)

COBRA

- Provides employee with 18 months of continued group health (medical, dental, vision) coverage after separation of employment
- Employee responsible for full cost of benefits plus 2% administrative fee

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Resources

CityNet
<http://citynet.sandiego.gov>

Employee Benefits

- Enrollment Information (link to enrollment video)
- Insurance & Reimbursement Forms
- Provider Information (Health Care Plans)
- Life Insurance

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Next Steps

Today . . .

1. Make note of your deadline to enroll
2. Turn in FBP Initial Enrollment Form
3. Turn in verification documents if enrolling dependents

If you need to send verification documents:

- Scan and email to Benefits_Admin@sandiego.gov; Subject Line: Verification Documents;
- Fax to (619) 533-4077;
- Interoffice Mail to the Benefits Office - MS 51B; or
- Drop off with receptionist at Civic Center Plaza (CCP) 10th floor

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Employee Retirement Savings Plans Overview

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Mandatory Retirement Savings Plans

Overview

- Employees will be in one of the following Defined Contribution plans:
 - SPSP-H *or* 401(a) *or* SPSP
- Employees are automatically enrolled
- Mandatory deductions are taken on a pre-tax basis
- Wells Fargo Institutional Retirement and Trust (IRT) is Plan Administrator
 1-800-728-3123; wellsfargo.com

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SD Mandatory Retirement Savings Plans

How is Eligibility Determined?

- Original date of hire
- If a rehire, whether employee participated in San Diego City Employees' Retirement System (SDCERS) and if money was left on deposit at SDCERS
- If changing from No Standard Hours to Benefitted (Promotion)
- If Safety or General Member

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SD Mandatory Retirement Savings Plans

Which Plan Are You Eligible for (General Member)?

SPSP-H (Supplemental Pension Savings Plans)

- Original date of hire on or after July 20, 2012

401(a)

- Original date of hire between July 1, 2009 – July 19, 2012; **or**
- Originally hired before July 1, 2009 and withdrew SDCERS funds

SPSP

- Original hire date before July 1, 2009 and kept retirement funds in SDCERS

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SD SPSP-H Plan

Contribution

- General Members Mandatory: 9.2% (pre-tax)
- Safety Members Mandatory: 11% (pre-tax)
- City matches 100%

Vesting: 100% vested in City & employee contributions

Loans: Not available

Hardship Withdrawal: Not available

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SD 401(a) Plan

Contribution

- Mandatory: 1% pre-tax; City matches 100%
- Voluntary post-tax; no City match

Vesting: 100% vested in City & employee contributions

Loans: Not available

Hardship Withdrawal: Not available

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SD **SPSP Plan**

Contribution

- Mandatory: 3% (pre-tax); City matches 100%
- Voluntary: up to 3.05% (post-tax); City matches 100% (pre-tax contribution into SPSP account)

Vesting

- Employee contribution: 100%
- City contribution: 20% per year; 100% after 5 years

Loans

- One loan at a time; 50% of account balance up to \$50k maximum

In-Service Withdrawal

- Once per year after two years of participation (City match portion not available for withdrawal)
- Taxes may apply

Hardship Withdrawal

- Available

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SD **Voluntary Retirement Savings Plans**

Two Defined Contribution Plans – available to all employees:

- 401(k) Plan (Wells Fargo)
- 457(b) Deferred Compensation Plan (VALIC)

Contributions

- Can contribute up to maximum contribution into both voluntary plans
- Minimum contribution \$10 per pay period
- 2018 max = \$18,500 or \$24,500 if over age 50

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SD **401(k)**

Contribution

- 401(k): Pre-tax through payroll deductions; and/or
- 401(k) Flex: Have the option to contribute remaining Flexible Benefit Credits
- No City match

	401(k) Flex Contribution	Anytime Savings 401(k) Contribution
When changes can be made	Only during Open Enrollment or following a Qualifying Event	Anytime
When contributions are deducted	Semi-monthly (24 pay periods)	Bi-weekly (26 pay periods)
What contribution is pulled from	Remaining FBP credits	Bi-weekly earnings

[401\(k\) Flex – Frequently Asked Questions](#)

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SD **401(k)**

Vesting: 100%

Loans: Available: one loan at a time; 50% of account balance up to \$50k maximum

Hardship Withdrawal: Available

Record Keeper – Wells Fargo IRT 1-800-728-3123



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SD 457(b) – Deferred Compensation Plan

Contribution

- Pre-tax through payroll deductions; no City match
- **Note: contributions will decrease mandatory savings contribution calculations - SPSP, SPSP-H and 401(a)**

Vesting: 100%

Loans: Not available

Hardship Withdrawal: Available

Self-directed brokerage account is available


Record keeper – VALIC 1-800-448-2542 (will be CalPERS in August 2018)

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SD 457(b) – Deferred Compensation Plan

Contribution

- Pre-tax through payroll deductions; no City match
- **Note: contributions will decrease mandatory savings contribution calculations - SPSP, SPSP-H and 401(a)**



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SD Fund Selection

Employees can designate their investment allocation; if no designation is made contributions will go to the default fund:

- Wells Fargo plans: Vanguard LifeStrategy Moderate Growth (Target Date Retirement Funds after May 31)
- VALIC: Vanguard Balanced Index Adm

Financial advisors recommend you select the appropriate funds for you based on your age and risk tolerance

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SD Educational Resources

1. Information packets will be mailed to your home
2. Resources are available on Wells Fargo and VALIC websites - register for online access
3. Financial Advisors are available from Wells Fargo and VALIC to assist you for one free hour
4. Attend in-person education sessions and webinars

Look for notices via emails, posters, and on CityNet

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SD How Can My Retirement Funds Be Accessed?

1. Retire
2. Terminate employment with the City
3. Disabled – as defined in the plan document
4. Death
5. Loans: SPSP & 401(k) only
6. In-Service Withdrawals: SPSP only
7. Hardship: SPSP, 401(k) & 457(b) Deferred Compensation only

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SD A Word About Withdrawals

Loans

- Not all plans have loan or hardship withdrawals
- Must maintain payments or they may be subject to default penalties

Hardship Withdrawal

- IRS definition: foreclosure, eviction, medical expenses, funeral expenses
- Must exhaust all retirement savings withdrawal options before hardship request is reviewed


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SD Enrollment Information

Mandatory Savings Plans:
Automatic enrollment

Voluntary Savings Plans:
Enroll through SAP Self-Services – Anytime Savings Plans

Effective Dates (from date of enrollment)
401(k) - next pay period
457(b) Deferred Compensation Plan - the following month



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SD Beneficiaries


Retirement savings plans - require a designated beneficiary for each plan (these are separate from life insurance)

To designate a beneficiary for SPSP, SPSP-H, 401(a), 401(k), or 457(b) deferred compensation, access Anytime Beneficiary through SAP Self-Services

Note: if you are married, your spouse/registered domestic partner must receive at least 50% of the community property interest unless he/she signs a notarized consent waiver

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**Retiree Medical Trust (RMT)
Overview**

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SD **Retiree Medical Trust**

Overview

What is the Retiree Medical Trust?

- Health Reimbursement Account

Account becomes available when you leave employment

May be utilized for:

- Purchase of medical insurance and/or
- Reimbursement of IRS Section 213 allowable services (e.g. doctor appointments, prescription medications, etc.)

Reimbursements are not taxable

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SD **Retiree Medical Trust**

Who is eligible?

General Members *hired on or after July 1, 2009* are eligible for the RMT

- Mandatory: 0.25% (pre-tax);
- City matches 100%
- Can designate fund allocation; otherwise it will go into default fund

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SD **Retiree Medical Trust**

Enrollment Information

- Eligible employees are automatically enrolled
- HRA Administrator is HealthSecure HRA/VALIC 1-888-364-5027
- Default fund: Vanguard Prime Money Market
- Welcome packet will be sent in approximately 60 days
 - Can register on-line and change allocation

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SD Retiree Medical Trust

Beneficiaries/Dependents

The Retiree Medical Trust has no beneficiary designation; however:

Any remaining account balance at the time of the employee's death may continue to be used by your **listed** eligible dependents

Important to Keep Dependents Up To Date!

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SD What if I was Hired Before July 1, 2009?

Employees between July 1, 2005 – June 30, 2009

- Not eligible for retiree health benefits through the City

Employees hired before July 1, 2005

- “Option C” – Retiree Health Reimbursement Account
- Amount received is based on age years of service (contact Employee Savings for Plan Administrator information)
- Employee will receive a one-time City contribution within 60 days of the date they are first eligible to retire
- Once the contribution is made the employee assumes control of the investment

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How to Enroll in Benefits

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SD SAP Portal

CityNet
http://citynet.sandiego.gov

SAP Portal

- Benefits Enrollment – City computer

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SD Benefits Enrollment Process

In CityNet/SAP Portal/Self-Services:

- Employees are issued a Username and Password to access SAP Self-Services
- Set-up "Landing Page" for Self-Services (one-time process)
- In CoSD My Services page:
 - **Personal Information/Personal Profile:** enter all family member/dependent information (need dates of birth and Social Security numbers)
 - **Benefits/Enroll for your benefits:** confirm Benefits Consent form and make plan selections
 - **Benefits Enrollment Overview/Participation Overview:** review, save, and print enrollment selections

[Enrollment Video](#)

Note: "OneSD Portal" is now "SAP Portal" & ESS is now Self-Services

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SD Risk Management Contacts

We are here to help . . .


Flex Benefits
(619) 236-5924 or
benefits_admin@sandiego.gov

Employee Savings
(619) 236-6600 or
benefits_admin@sandiego.gov



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Questions?

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Helpful Information

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SD Health Benefits – Terminology

Medical Carrier/Health Insurance Carrier/Health Insurance Company - Company that administers the claims and pays benefits for the health insurance plan you enroll in.
ex: Kaiser, Health Net, or Sharp

Medical Plan or Health Insurance Plan – HMO or PPO an employee enrolls in
ex: Kaiser Traditional or Kaiser Deductible HMOs

Medical Group – Doctors, nurses, and other health care professionals who care for patients
ex: Sharp Rees-Stealy

Primary Care Physician (PCP) – The doctor an employee designates as their physician; he/she serves as the entry point for all the patient’s health care needs

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SD Health Benefits – Terminology

Premiums – Amount of money charged by the insurance company for the plan an employee has enrolled in (this is what is deducted from the employee’s paycheck)

Annual Deductible (does not apply to all plans) – Amount an employee pays for health care services before the insurance company starts to pay
 Ex: \$1,000 per individual or \$2,000 per family

Plan Year Out-of-Pocket Maximum – Maximum amount employee will pay per individual/family per plan year
 Ex: \$3,500 per individual/\$7,000 per family)

Co-payments – Employee’s fixed out-of-pocket amount for a covered service paid by patient (\$20 doctor visit)

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SD Flexible Spending Accounts Terminology

Fiscal Year 2018 July 1, 2017 – June 30, 2018	Costs Incurred	Submit Claim on or before
Run-out Period: timeframe in the new plan year when you can file claims for expenses incurred in the previous plan year	July 1, 2017 – June 30, 2018	July 31, 2018
Grace Period: timeframe in the new plan year when you can incur new expenses and file claims to use the balance left over from the previous plan year	July 1, 2018 – Sept. 15, 2018	Sept. 30, 2018

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SD Retirement Savings Plans – Terminology

Defined Contribution Plans

- Employee contributes a predetermined portion of his or her earnings (usually pre-tax) to an individual account
- Future benefits fluctuate on the basis of investment earnings

Defined Benefits Plans

- Plan has defined benefit payout based on years of service, age, and salary (pension plan)
- Future benefits do not change based on investment earnings
- San Diego City Employees Retirement System (SDCERS) administers the City’s pension plan
- City of San Diego employees (except for sworn Police officers) originally hired on or after July 20, 2012 are not eligible to participate in the SDCERS pension plan

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SD Retirement Savings Plans – Terminology

Pre-tax (Tax-deferred)

- Employee postpones paying taxes on the amount deducted for a retirement savings plan until funds are withdrawn
- Reduces income taxes on current year earnings
- When taxes are paid later, investment and earnings may be taxed at a lower rate

Post-tax

- Money invested is still subject to state and federal taxes at the time of deduction
- Reduces tax burden in retirement

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SD Retirement Savings Plans – Terminology

Understanding Pre-Tax & Post-Tax

- Example:
 - Gross Bi-weekly Pay: **\$2,500**
 - Withholding Tax Rate: **20%**
 - Voluntary Retirement Savings Plan Contribution: **10%** of Gross Pay

	Using Pre-tax Contribution	Using Post-tax Contribution
Gross Pay	\$2,500	\$2,500
Pre-tax Deduction	- 250	
Adjusted Gross Pay	\$2,250	\$2,500
Tax Withholding	- 450	- 500
Post-tax Deduction		- 250
Net Pay	\$1,800	\$1,750

Pre-tax deduction lowers adjusted gross pay, which decreases tax withholding, resulting in higher net pay

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SD Retirement Savings Plans – Terminology

What Does Vesting Mean?

When the City contributes money to your retirement savings plan, you may not have immediate full ownership; how and when you gain full ownership of the funds is known as the vesting schedule

- Contributions the employee makes are always 100% his/hers
- Contributions the City makes may be fully or partially available to the employee depending on the fund and years of service

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